THE ARTS AS AN ECOMOMIC ENGINE: RI THE LITTLE STATE THAT COULD

I'D like to begin by saying what a pleasure it is to be back at RIC --- where I began my academic career over 20 years ago as a faculty member in what was then the Dept of Communications and Theatre. At that time, I taught courses in TV Production, Film & Mass Communication Theory.

Currently, I am at Northeastern, where I am an Assoc. Prof. of Cooperative Education for the Dept of Visual Arts & I'd like to recognize my boss, VP LYNN LYFORD who drove down from Boston for this event. Thank you, Lynn.

My other NU hat is Co-Director of CAPRI & much of the economic analysis I am going to present today is from my research and that of my co-director, economist Greg Wassall.

My remarks are going to follow three streams of thought that will be echoed in the panels and presentations you will be hearing today:

1. THE ECONOMIC IMPACT OF THE ARTS AND WHAT IT MEANS FOR THE GLOBAL, US AND RI ECONOMIES
2. HOW THE RELATIONSHIP BETWEEN CITIES, the STATE--ARTISTS & the ARTS IS EVOLVING

3. WHAT ARTISTS AND POLICYMAKERS NEED TO CONSIDER WHEN THINKING ABOUT BUSINESS ISSUES RELATING TO THE ARTS

I'D like to frame this discussion as I always do with the lens I employ when analyzing the artists & the arts. I (As do many colleagues) look at the arts as part of a sector, similar to that of education, transportation or health—including not-for-profit, commercial and advocational or voluntary. We know a lot about the first, a little more about the second and we haven't even begun looking about the impact of voluntary arts activities—just that in 2000, arts and cultural orgs reported approx 22,500 vol hrs on their behalf—no telling what this has meant to their sustainability.

In this spirit, the Creative Economy Initiative, a study by the New England Council, rejected traditional segmentation of the Cultural Sector by Tax Status (FOR AND NOT-FOR-PROFIT & FREELANCE) and content that the "Creative Cluster' defined as enterprises and individuals that directly and indirectly impact and produce Cultural Products, support more than 245,000 jobs, more than either the SOFTWARE or MEDICAL TECHNOLOGIES in New England combined. IN 2000, this cluster was growing faster than the rest of New England's economy, 14% compared to the 8% in the region overall. A similar study conducted by the Design Council in the United Kingdom also reported that creative jobs there also are growing rapidly: 1.7 million jobs, or 5% of the UK workforce, now work in creative industries, an increase of 34% in a decade.

However you slice it (I AM ON THE CONSERVATIVE SIDE-no Biotech, etc.) the arts and cultural sector is enormous. As part of a larger economic shift from Manufacturing to Information & Services, the Arts and Cultural Sector of the US & many other Nations now account for a much larger share of the annual share of the Gross Domestic Product (GDP) & (GNP) than ever before.

SO Who's included in My Sector? Creative jobs include traditional arts work as well as knowledge-based work in areas of communication and intellectual property including law, technology, publishing and learning.

Given the global nature of the modern economy and the growth in the relative size of the creative sector, business success in this arena is an issue of state, regional, national and international importance. Why?

For One Thing, The US Census identifies artists & workers in the Creative Sector as among the fastest-growing occupational groups in the latter half of the 20 Century, and the employment of artists and other such workers has grown faster than that of the labor force as a whole. Between 1940 AND 1998, Artists grew at a rate roughly 2 ½ X as quickly as all workers. IN 1940 Artists were less than ¾ of a percent of the Labor Force: By 2000 nearly 1.5 % (IT DOUBLED). From 1970 TO 1990 the overall growth rate for the period was 127%. IT is no surprise to this group that the largest gains were made by Designers, who now represent almost 1/3 of all Artists. A FUTURIST WAS ON NPR LAST WEEK DESCRIBING THE NEWEST ECONOMY AS THE "DESIGN' ECONOMY. CERTAINLY, MORE GOOD NEWS FOR RI!

Recent numbers indicate that there are 2.5 Million artists in the US Labor Force and 21,000 of them are working here in RI (Just slightly less than the Financial Sector). In fact, 4.5 percent of all jobs in RI are in the creative cluster & the percentage of people employed in the arts in RI actually outpaces the regional average at 3.5%.

Numbers for 2003 are almost ready, but in the last slice by my colleagues Greg Wassall and Doug DeNatale for 2000, they reported that the not-for-profits segment of the Arts and Cultural Sector in RI alone equally 848 organizations. As a group they:

1. Spent a total of $241 million, of which approx. $100 million were for salaries, and about $140 million for other operating expenses—ie, good and services as well as infrastructure.
2. Received approx. $283 million in income, of which approx $56

million were private contributions, $21 million were gov. contributions, appox. $206 million were earned from other sources —almost 17 % from out-of-state.

3. Provided 8,700 jobs—employing 6,125 artists.
4. Had 4.3 million admissions (5 X population of the State—with over 75% paid)
5. Collected $2.6 million in State sales tax
6. With a total economic impact of $316.8 million
7. Most encouragingly, these organizations showed significant economic growth over the period. RI's cultural orgs. grew at an annual rate of 16%, as measured y spending, and 19 % as measured by income. (PUTTING THIS IN PERSPECTIVE--THESE GROWTH RATES LIE WELL ABOVE THE OVERALL GROWTH OF THE STATE'S ECONOMY OVER THE SAME PERIOD). THE STATE'S ECONOMIC GROWTH RATE 1996-2000 WHILE ROBUST AVERAGED HALF THE GROWTH RATE OF THAT OF ARTS & CULTURAL ORGS' SPENDING & INCOME.

But if we expand the sector to include the for-profit, conservative estimates now bring this total to $440 million in economic impact for RI.

BUT I believe the # is far more than that.

Why is the Arts Sector so hard to define and quantify in relation to other fields?

1. As stated, artists don't always work for not-for-profits or traditionally recognized commercial arts venues. In my Coop program alone I advise 400 students in the fields of Art History, Graphic Design, Photography, Animation & Multi/ or New Media and place 50 to100 each term in jobs throughout the area. For example, this term they are working:

1. 2 at MFA IN ART ED AND E-LEARNING
2. 1 as a PHOTOGRAPHER FOR THE Boston RED SOX & one for AEROSMITH
3. 2 in ARTS THERAPHY (hosp & comm. center)
4. 6 IN MEDICAL GRAPHICS AND INTERNAL DESIGN DEPARTMENTS IN HOSPITALS
5. 10 IN TRANDITIONAL DESIGN FIRMS
6. 4 EMBEDDED IN FINANCIAL SECTOR
7. 1 AT WGBH INTERACTIVE
8. 4 AT GLOBE, LEDGER LAWYERS WKLY
9. 3 IN ANIMATION COS.

2 AT MITRE IN THE DEFENSE CONTRACT FIELD.

As you can see, only a small % would be captured as working part of the Arts and Cultural Sector using traditional counting means.

2. Many artists "Moonlight" or work 2nd.3rd jobs, so you are not getting the complete picture when using the occupational Census which asks for primary job activity during a given week.

3. Artists move in and out of the various parts of the Sector—sometimes working as a freelancer, sometimes an employee—in both the non-profit and commercial parts of the sector.

II. But all Artists live somewhere and that brings me to stream 2 and what you will hear in the afternoon panel.

The relationship between municipalities and the arts and artists is evolving into what I like to call THE NEW CULTURAL POLICY PARADIGM. In this new policy realm, Providence, Pawtucket and Westerly are now trying to recalculate their cultural policies as a partnership with planning, real estate, education and workforce policies now post-initial arts district planning. (Woonsocket and Newport are entering phase I of planning).

As such, Cities are beginning to step back and look at tools need to support economic development and urban revitalization and cultural districts more and more becoming a major option. At the heart of this shift is the reinvention of the Artists AS CREATIVE WORKER. And I believe it took 3 turns to get there.

1. Artists as supplicant/City as Patron-Arts Council model
2. Arts as economic force that can be measured by outcomes such as tickets, restaurants, neighborhood revitalization, etc, in this vein, artists and the arts are seen as agent of change
3. Artists as a vital part of a desirable and sustainable part of the workforce—Artist now are seen as entrepreneurs and small Biz. Persons who cities and the State need to support and woo as they would any other potentially successful small business important to the economic health of the area.

Thus, Artists clearly are becoming a major part of RI's economic development and planning strategy to achieve economic sustainability & quality of life for all its citizens.

BUT this is not a one-sided equation all about cities or the State; it's about partnerships and, most importantly, about artists & partnership with the larger RI community. For artists to take advantage of this window of opportunity, they need the right tools as well to achieve success. The third part of this program begins to address issue.

THUS, the third stream of today's program asks how we collectively as:

Educators

Policymakers

Planners

Developers

Bankers & Funders

And Artists themselves can make this vision a reality.

There is a fourth stream—or maybe more an undercurrent to all this and I personally believe the most important one. Arts Education. Not a single artist would be in this room today if that piece hadn't been there for them. Nor would that $440 million in economic impact be there for this State. It is an investment too important to let slip away as we are about to do.

We may be RI, but we are not an island. We can't rely on a U-Haul Strategy that imports all our creative talent who have had access in their lives to what I believe is the MOST important tool in the 21st Century workforce toolbox—a quality arts education. As part of a comprehensive strategy that links education and workforce development policies, we must provide arts education in our schools as well as our communities as part of our game plan for the 21st Century so that we can grow our own talent and keep those we attract and retain in order to truly earn the title "RI: THE ARTS STATE: The STATE THAT COULD."

Thank you.

This study examines the proposition that, given adequate business and artistic training, many artists and new arts ventures can succeed. Although a range of business and technical support options exist for traditional commercial and nonprofit organizations and entrepreneurs in other fields, far fewer training opportunities are available for individual artists and arts entrepreneurs.